GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2438
ANSWERED ON:05.12.2001
GADGIL- MUKHERJEE FORMULA
CHANDRA BHUSHAN SINGH;GORDHANBHAI JAVIA;NEDURUMALLI JANARDHANA REDDY;SHYAMA SINGH

Will the Minister of PLANNING be pleased to state:

(a) whether the Planning Commission have decided to review the Gadgil-Mukherjee formula forallocation of Central assistance to States;

(b) if so, the details thereof;

(c) whether several States are unhappy on the allocation of Central assistance due to Gadgil-Mukherjee formula;

(d) if so, the details of representations received in this regard; and

(e) the extent to which the review of the formula is going to remove various bottlenecks in the allocation of Central assistance?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY O PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE(SHRIMATI VASUNDHARA RAJE)

(a) to (e): The Planning Commission has received proposals from various StateGovernments to amend the existing Gadgil-Mukherjee formula for allocating Normal CentralAssistance to State Plans. There is wide divergence in the views amongst the States in this regard. In general, while the advanced States have sought higher weightage for Performance,the less advanced States have sought higher weightage for Backwardness. This issue was considered in a meeting of the Full Planning Commission held on 27th & 29th June 2001. Since revision in the Formula requires the approval of National Development Council(NDC), it was decided that given the difference of opinion among the State Governments and the sensitivity of this issue, it was necessary to discuss this further and evolve a consensus before alternatives are considered by the NDC.